REMARKS

In the office action mailed July 3, 2009, the Examiner rejects claims 1, 4-32 and 36-40 under 35 U.S.C. §101 as being directed to non-statutory subject matter. The Examiner further provisionally rejects claims 1, 6-8, 32 and 33 on the ground of non-statutory obviousness-type double patenting. The Examiner rejects claims 1, 4-12, 16, 20-31, 33-35 and 40 under 35 U.S.C. §103(a) as being unpatentable over United States Patent Application No. 2003/0105677 [hereinafter *Skinner*] in view of Robin Hanson, IDEA FUTURES, Encouraging an Honest Census, undated [hereinafter *Hanson*]. The Examiner further rejects claims 17-19 under 35 U.S.C. §103(a) as being unpatentable over *Skinner* in view of *Hanson* and further in view of Jim Giles, *Wanna Bet?*, Nature, November 28, 2002 at 354 [hereinafter *Giles*]. Finally, the Examiner rejects claims 13 through 15 under 35 U.S.C. §103(a) as being unpatentable over *Skinner* in view of *Hanson* and further in view of United States Patent Application No. 2003/0115099 [hereinafter *Burns*].

Regarding the rejections of claims 1, 4-32 and 36-40 under 35 U.S.C. §101, Applicant traverses, but hereby amends the independent claims to advance the present prosecution. As amended, the presently pending independent claims recite multiple, meaningful transformations of data. Specifically, the independent claims recite a first transformation regarding transforming terms into concepts and a second transformation of the previously generated concepts into instruments. As recently held in In re *Bilski*, 545 F.3d 943 (Fed. Cir. 2008), a process is deemed statutory when it is either tied to a particular apparatus or when the process transforms an article into a different state or thing. *Bilski* at 954. Applicant asserts that the presently pending claims meet both of these statutory prongs.

The Applicant's claimed invention, as amended, is clearly tied to a particular apparatus (i.e., a networked computer system). The court in *Bilski* elaborated on the first prong by stating that an invention's ties to an apparatus "must impose meaningful limits on the claim's scope to impart patent-eligibility." *Id.* The court's rationale for the first prong affirms the view in *Gottschalk v. Benson*, 409 U.S. 63 (1972) that an idea without specific ties to an apparatus is not patentable. The rationale behind the apparatus prong is to impose meaningful limits so that purely abstract ideas are not held patentable,

that is, limiting an abstract idea to a specific apparatus precludes an applicant from excluding all from using an idea, while still preserving his physical, inventive concept. The presently claimed invention does just that. The limitation to a networked computer clearly limits the reach of any aspect of the claim that could be construed as abstract or as an idea. Furthermore, Applicant asserts that the Examiner's contention that "mere nominal recitations of a machine are not deemed to make the claimed process statutory" is without merit. The claiming of a "networked computer system" is more than a mere "nominal recitation" as it significantly describes the system or apparatus the method is employed upon. Secondly, the currently amended claims recite multiple transformations of data, thus the Examiner's rejection of the claims is improper and legally unfounded. Applicant asserts that the transformation of terms to concepts and concepts to terms both transforms an article to a different state or thing and is "central to the purpose of the claimed process." *Bilski* at 962.

Regarding the rejections of claims 1, 4-12, 16, 20-31, 33-35 and 40 under 35 U.S.C. §103(a), Applicant asserts that *Skinner* and *Hanson*, alone or in combination, fail to teach or suggest all of the presently pending claim elements.

As a preliminary note, the Applicants assert that the Examiner has inappropriately and incorrectly defined terms within the presently pending claims when formulating the present rejection. Specifically, the Examiner repeatedly defined "concepts" to mean "search terms." *See Office Action*, pages 5-6. The definition provided by the Examiner is in direct conflict with the Applicants' description of concepts given on page 8 of the Specification. In the embodiment described on page 6, concepts are comprised of a set of terms and are related to a theme. While it is appreciated the Examiner must interpret a claim term as broadly as possible, that interpretation must also be reasonable, whereas here it is unreasonable to interpret the claim term contrary to the exact claim language of the concept being a set of terms, not the terms themselves.

Given the preceding discussion, the Applicants assert that *Skinner* fails to teach or suggest "defining a set of one or more term-based concepts, each of the concepts comprising a set of one or more terms, the terms being usable in computerized searches" as presently claimed. The cited portion

of *Skinner*, and its entirety, discusses analysis of search terms as opposed to concepts that are formed from a plurality of search terms. Assuming, *arguendo*, that concepts were properly defined as search terms, it is illogical to conclude that, following the claim language, a term can be comprised of one or more terms. This fallacy exists as concepts and search terms are distinct entities, and thus *Skinner* fails to teach or suggest the claimed concept, i.e. grouping of terms. This fundamental flaw re-asserts itself in the second claim element regarding the valuation of concepts. *Skinner* cannot teach or suggest valuation of concepts as *Skinner* fails to teach or suggest concepts, as claimed.

Applicant additionally asserts that *Hanson* does not qualify as prior art as the Examiner has not provided any indication of the publication date of the article. The Applicants acknowledge the Examiner's assertion of date on the Notice of References Cited, however, the Applicants respectfully request the Examiner provide the publish date from the periodical or magazine that published the article to substantiate, in accordance with PTO requirements, that Hanson is in-fact a valid prior art reference.

Regarding the rejection of claims 17-19 under 35 U.S.C. §103(a) as being unpatentable over *Skinner* in view of *Hanson* and further in view of *Giles*, and the rejection of claims 13 through 15 under 35 U.S.C. §103(a) as being unpatentable over *Skinner* in view of *Hanson* and further in view of *Burns*, the Applicants assert that neither *Giles* nor *Burns* cures the deficiencies of *Skinner* and *Hanson*. Therefore, Applicants assert that claims 13 through 15 and 17 through 19 are allowable over the prior art of record for at least the reasons set forth above.

Claims 1, 6-8, 32 and 33 stand rejected based on a nonstatutory double patenting rejection in view of copending U.S. Patent Application 10/625,000. In response thereto, Applicants submit herewith a Terminal Disclaimer, overcoming this rejection.

For the above reasons, the Applicant submits that the present invention, as claimed, is patentable over the prior art. Accordingly, reconsideration and allowance of all pending claims is respectfully solicited. To expedite prosecution the Examiner is invited to call the Applicants' undersigned representative to discuss any issues relating to this application.

Dated: July 28, 2009 THIS CORRESPONDENCE IS BEING SUBMITTED ELECTRONICALLY THROUGH THE PATENT AND TRADEMARK OFFICE EFS FILING SYSTEM ON July 28, 2009	Respectfully Submitted,  Timothy J. Bechen Reg. No. 48,126 Ostrow Kaufman & Frankl LLP The Chrysler Building 405 Lexington Avenue, 62nd Floor New York, NY 10174 212-682-9200 ***Customer No. 76041***